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ABSTRACT

A study was conducted to determine the costs associated with the board of trustees of California's community college districts during the 1985-86 academic year. Questionnaires were mailed to the chief executive officer at each district, requesting information on the total district budget, fees or salaries paid to trustees, insurance costs, funding for conference attendance and travel to meetings, costs of employees assigned to trustees, amount spent on the election of trustees, and collective bargaining reimbursement. Survey findings, based on responses from 67 of 70 districts, included the following: (1) 52.5% of the districts had 7-member boards, and 47.8% had 5-member boards; (2) 28.4% of the districts paid their trustees no salary; (3) the 67 districts paid a total of $712,000 to their trustees in 1985-86, with the average board receiving $10,627; (4) the districts paid a total of $526,000 in trustees' conference expenses; (5) the total amount spent for secretarial and other support for trustees was $795,000; (6) the total amount spent for trustee elections from January 1, 1980 through the 1985-86 academic year was $15,804,000; (7) the total amount spent on collective bargaining during the same period was $11,335,000; and (8) board elections and contract negotiations made up over 50% of the total trustee-related expenses of the districts. (AAC)

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CALIFORNIA COMMUNITY COLLEGES REPORT NUMBER TWO:

WHAT PRICE LOCAL CONTROL?

Leslie Wilbur

M. Stephen Sheldon

University of Southern California
School of Education

February 15, 1988

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CALIFORNIA COMMUNITY COLLEGE TRUSTEES

REPORT NUMBER TWO

WHAT PRICE LOCAL CONTROL

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School of Education, University of Southern California

Introduction

This is the second in a series of three papers by the authors about California Community College trustees. The first dealt with the sex, occupation, and political support for trustees. The present paper is concerned with expenses related to boards of trustees, such as their elections and district collective bargaining. The third paper will deal with the feelings, values, and perceptions of the trustees themselves.

Background

In a few more years eight decades will have passed since junior colleges were established in California. Most began as two-year extensions of high schools and were operated and governed by high school district board members. They were financed largely through their property taxing districts, and their boards had a high degree of autonomy in curriculum, excepting transfer courses. Their values and financial policies reflected those of secondary education rather than those of the state colleges or the state university.

During the first half of the history of California junior, now community, colleges the typical budget was modest and the board members served without compensation other than for expenses. However, after World War II California and its

educational systems expanded exponentially, increasing dramatically in enrollments, numbers of institutions, and in expenses.

The expansion of community colleges was accompanied by increasing pressures for independence from secondary education governing boards and by a striving for recognition as the third segment of public California Higher Education. Partial achievement of that status came with the creation of a state board of governors, with responsibility for 106 colleges operated by seventy property taxing community college districts.

Although the taxing district structures and boards were left intact by Proposition Thirteen, the proportions of support for the community colleges between local property taxes and the state were changed profoundly. Before the change, district taxpayers typically provided more than half of the costs of operating the the colleges. After the change, the typical district provides about twenty per cent, the remainder coming chiefly from state funds.

When the costs and expenses of educational institutions are borne by a higher level of government there is always a question of control: With the state paying about 80 percent of the expenses, who should control the colleges? Who should make the decisions? At the outset of this study our bias was that there should be as much local control as the state can afford.

During the Eighties changes have taken place for trustees as well as the districts. The responsibilities of community college trustees are far more numerous and much more complex than

they were in previous decades. Most community college annual budgets are in the tens of millions; one exceeds one hundred million. Collective bargaining, for example, is now a reality for most districts and contract negotiations require expertise, which imposes an additional financial burden.

We felt that the expenses associated with maintaining 70 independent districts, especially those of community college trustees, were worth careful study. Not only have new costs been imposed, but recent legislation allows trustees to vote themselves benefits which were not available until recent years.

Benefits such as pay and insurance have financial implications far beyond the immediate annual costs to the districts. For example, any trustee who is paid for his services long enough, becomes vested in the state retirement system. If the trustee is a professsional and employed in any California school or community college district, each year he or she is paid as a trustee counts toward retirement in the State Teachers Retirement System (STRS) and entitles the trustee to a two percent increment. This could add up to a considerable amount of money from the state coffers. A teacher or administrator who averaged but $30,000 for his best three years, and served but four years as a trustee, would receive an **additional** $24,000 for his first ten years of retirement, above normal retirement. And that's not counting cost-of-living-adjustments which are automatic with both STRS and PERS.

There were several major problems accompanying this research project: one was that of identifying trustee expenses; another

was that of extracting the information from district budgets themselves. We were fortunate in having available at the onset expert advice on what information to request. In addition we had the valuable assistance of districts in extricating our data, buried in complex budgets.

We have taken pains to preserve the anonymity of individual districts. We have attempted to establish a statewide view of what trustee and related expenses are in California, especially in relationship to overall district budgets. Provided with a statewide perspective, individual districts can compare their own patterns of expediture with typical patterns.

Methods

Two chief executive officers, one from a large single college district and one from a multi-college district, were interviewed to help us determine what data we should ask the districts to supply and how to request it, for our study of the expenses associated with the trustees. When a draft of a survey form was written, the same CEOs were given a second opportunity to change it. Figure 1. (below) is a compacted facsimile of the final version of the form. A copy of this form was sent to each district CEO accompanied by a copy of our first report on the trustees, a letter asking for cooperation, and a stamped return envelope.

After four weeks, those districts that had not returned the form were telephoned, some, several times. Now, after five months, all but three relatively small districts have responded with usable data.

For two of the questions, those related to trustee elections and collective bargaining, we asked for the expenses "since January 1, 1980." (See questions 8 and 9 in Figure 1. below.) We expanded the period because neither the elections nor the contract negotiations take place on an annual basis; moreover, their timing varies among the districts. Consequently, we asked for information covering a six-year period, which was long enough to include at least two elections and two contracts for every district. Those aggregate costs were then divided by the number of years to produce a rough annual expense for each district covering those activities. Thus those two approximate expenses could be compared with the other annual expenses.

Facsimile of the Trustee Costs Survey

District Title _____

COSTS ASSOCIATED WITH THE BOARD OF TRUSTEES IN THE YOUR COMMUNITY COLLEGE DISTRICT FOR THE ACADEMIC YEAR 1985-86

(In reporting the budgets, costs or estimates below, round off amounts to the nearest dollar. Include the costs for student trustees.)

1. How many trustees are on your board? ___

2. What was your total district budget last year? Include only the funds from the state and local governments. Do not include any special funds such as grants, gifts, or special contracts. ___ ___ ___,___ ___ ___,___ ___ ___

3. How much was paid in total to all of your trustees in salary, stipend,or fees? ___ ___ ___,___ ___ ___

4. How much did insurance for the trustees cost? Include medical, dental, optical, life, and any other insurance costs. ___ ___ ___ ,___ ___ ___

5. Estimate the costs to the district for trustees to attend conferences. Include transportation and living expenses for the trustees and anyone else accompanying them. ___ ___ ___ , ___ ___ ___

6. How much did the district reimburse the trustees for transportation to meetings and other district business. Include mileage and any use of district automobiles? ___ ___ , ___ ___ ___

7. Estimate the costs, including fringe benefits, of any employees that are assigned to the trustees full or part time. ___ ___ ___,___ ___ ___

8. Please report the amount of money your district spent on election of trustees since 1 January, 1980.___ ___,__ ___ ___

9. Please report the amount that your district asked to be reimbursed for collective bargaining since 1 January, 1980. ___ ___ , ___ ___ ___

10. Are there any substantial trustee expenses that should have been included in this questionnaire but that you think were inadvertently omitted? If so, please describe them and estimate the associated costs.

Description_____

Cost___ ___ ___,___ ___ ___

Description_____

Cost___ ___ ___,___ ___ ___

PLEASE RETURN THIS FORM IN THE ENCLOSED SELF ADDRESSED, STAMPED ENVELOPE TO:

Leslie Wilbur, Professor of Higher Education
School of Education WPH-701
University of Southern California
Los Angeles, CA 90089-0031

RESULTS

The tables presented below give the frequency distributions and basic statistics for each of the questions in the survey. All figures are rounded tothe nearest $1,000.

Table 1. NUMBER OF TRUSTEES	Number	Percent
5 =	32	47.8 %
7 =	35	52.2 %
Total	67	100.0 %

Missing cases = 3
Response percent = 95.7 %

Table 2. TOTAL BUDGET (IN THOUSANDS)	Number	Percent
0,000 - 4,999	4	6.0 %
5,000 - 9,999	10	14.9 %
10,000 - 14,999	11	16.4 %
15,000 - 19,999	9	13.4 %
20,000 - 24,999	5	7.5 %
25,000 - 29,999	5	7.5 %
30,000 - 34,999	5	7.5 %
35,000 - 39,999	7	10.4 %
40,000 - 49,999	3	4.5 %
50,000 - 59,999	2	3.0 %
60,000 - 69,999	2	3.0 %
70,000 - HIGHEST	4	6.0 %
Total	67	100.0 %

Minimum	= 1,574
Maximum	= 137,641
Range	= 136,067
Sum	= 1,775,035
Mean	= 26,493
Median	= 19,820
Mode	= 11,002
Standard deviation	= 21,015

Valid cases = 67
Missing cases = 3
Response percent = 95.7 %

Table 3. TRUSTEE SALARY	Number	Percent
NO SALARY	19	28.4 %
1,000 - 4,999	11	19.4 %
5,000 - 9,999	9	13.4 %
10,000 - 14,999	12	17.9 %
15,000 - 19,999	8	11.9 %
20,000 - 24,999	3	4.5 %
25,000 - 29,999	1	1.5 %
30,000 - HIGHEST	4	6.0 %
Total	67	100.0 %

Minimum	= 0
Maximum	= 90,000
Range	= 90,000
Sum	= 712,000
Mean	= 10,627
Median	= 7,000
Mode	= 0
Standard deviation	= 16,147

Valid cases = 67
Missing cases = 3
Response percent = 95.7 %

Table 4. INSURANCE	Number	Percent
NO INSURANCE	4	6.0 %
1,000 - 4,999	4	6.0 %
5,000 - 9,999	10	14.9 %
10,000 - 14,000	11	16.4 %
15,000 - 19,999	17	25.4 %
20,000 - 29,000	16	23.9 %
30,000 - HIGHEST	5	7.5 %
Total	67	100.1 %

Minimum	= 0
Maximum	= 90,000
Range	= 90,000
Sum	= 1,101,000
Mean	= 16,433
Median	= 15,000
Mode	= 17,000
Standard deviation	= 13,004

Valid cases = 67
Missing cases = 3
Response percent = 95.7 %

Table 5. CONFERENCE EXPENSES	Number	Percent
0,000 - 2,999	11	16.4 %
3,000 - 5,999	21	31.3 %
6,000 - 8,999	15	22.4 %
9,000 - 11,999	7	10.4 %
12,000 - 14,999	5	7.5 %
15,000 - 17,999	2	3.0 %
18,000 - 20,999	3	4.5 %
21,000 - HIGHEST	3	4.5 %
Total	67	100.0 %

Minimum	= 0
Maximum	= 37,000
Range	= 37,000
Sum	= 526,000
Mean	= 7,851
Median	= 6,000
Mode	= 5,000
Standard deviation	= 7,023

Valid cases = 67
Missing cases = 3
Response percent = 95.7 %

Table 6. TRANSPORTATION	Number	Percent
NO EXPENSES	35	52.2 %
1,000 - 1,999	13	19.4 %
2,000 - 2,999	6	9.0 %
3,000 - 3,999	2	3.0 %
4,000 - 4,999	3	4.5 %
5,000 - 5,999	3	4.5 %
6,000 - 6,999	2	3.0 %
7,000 - 7,999	1	1.5 %
8,000 - 8,999	1	1.5 %
9,000 - HIGHEST	1	1.5 %
Total	67	100.0 %

Minimum	= 0
Maximum	= 19,000
Range	= 19,000
Sum	= 105,000
Mean	= 1,604
Median	= 0
Mode	= 0
Standard deviation	= 2,933

Valid cases = 67
Missing cases = 3
Response percent = 95.7 %

Table 7. TRUSTEES' EMPLOYEES EXPENSES	Number	Percent
NO EMPLOYEE EXPENSES	30	44.7 %
1,000 - 2,999	6	9.0 %
3,000 - 5,999	5	7.5 %
6,000 - 8,999	1	1.5 %
9,000 - 11,999	1	1.5 %
12,000 - 14,999	2	3.0 %
15,000 - 17,999	3	4.5 %
18,000 - 20,999	1	1.5 %
21,000 - 23,999	3	4.5 %
24,000 - 26,999	2	3.0 %
27,000 - 29,999	5	7.5 %
30,000 - 32,999	1	1.5 %
33,000 - 35,999	2	3.0 %
36,000 - HIGHEST	5	7.5 %
Total	67	100.0 %

Minimum	= 0
Maximum	= 79,000
Range	= 79,000
Sum	= 795,000
Mean	= 11,866
Median	= 2,000
Mode	= 0
Standard deviation	= 17,577

Valid cases = 67
Missing cases = 3
Response percent = 95.7 %

Table 8. TRUSTEE ELECTIONS (Costs for six years)	Number	Percent
NO ELECTION EXPENSES REPORTED	2	3.0 %
1,000 - 19,999	7	7.6 %
20,000 - 39,999	9	13.6 %
40,000 - 59,999	12	18.2 %
60,000 - 79,999	7	10.6 %
80,000 - 99,999	3	4.5 %
100,000 - 110,999	2	3.0 %
120,000 - 130,999	5	7.6 %
140,000 - 150,999	1	1.5 %
160,000 - 170,999	2	3.0 %
180,000 - 190,999	3	4.5 %
200,000 - 219,999	2	3.0 %
220,000 - 239,999	2	3.0 %
240,000 - 259,999	1	1.5 %
260,000 - 279,999	1	1.5 %
280,000 - HIGHEST	9	13.6 %
Total	66	100.0 %

Missing cases = 4
Response percent = 94.3 %

Minimum	= 0
Maximum	= 4,253,000
Range	= 4,253,000
Sum	= 15,804,000
Mean	= 239,000
Median	= 71,500
Mode	= 50,000
Standard deviation	= 165,078

Valid cases = 66
Missing cases = 4
Response percent = 94.3 %

Table 9. COLLECTIVE BARGAINING (FOR SIX YEARS)	Number	Percent
NO COLLECTIVE BARGAINING EXPENSES	9	13.8 %
1,000 - 49,999	12	18.4 %
50,000 - 99,999	9	13.8 %
100,000 - 149,999	5	7.7 %
150,000 - 199,999	9	13.8 %
200,000 - 249,999	4	6.2 %
250,000 - 299,999	2	3.1 %
300,000 - 349,999	3	4.6 %
350,000 - 399,999	5	7.7 %
400,000 - 449,999	4	6.2 %
450,000 - HIGHEST	3	4.6 %
Total	65	100.0 %

Minimum	= 0
Maximum	= 1,000,000
Range	= 1,000,000
Sum	= 11,335,000
Mean	= 174,385
Median	= 121,000
Mode	= 0
Standard deviation	= 184,047

Valid cases = 65
Missing cases = 5
Response percent = 92.9 %

Question 10 on the survey asked the respondent to describe "any substantial expenses that should have been included," and permitted space for two such descriptions. Of the 67 responding districts, eight gave one such expense and an additional eight listed two expenses. The sum for the sixteen that described the first was $164,000 and for the eight with a second was $92,000. The most often mentioned reasons for these expenses were dues and other organizational costs.

Summary of Results

1. The distribution of five-member and seven-member boards was almost equal. Of the sixty-seven respondents, thirty-five districts had seven members.

2. The total amount reported for the (67) district budgets (for

1985-86) was $1,775,035,000.

3. The total amount spent for Trustees' salaries, stipends or fees was $712,000. The mean amount per board was $10,627; the median was $7,000.

4. The total amount spent for Trustee insurance was $1,101,000. The mean amount per board was $16,400; the median was $15,000.

5. The amount spent for Conference attendance was $526,000. The mean amount per board was $7,900; the median was $6,000.

6. The total amount spent for Transportation was $105,000. The mean amount per board was $16,000; but, since the majority of the districts spent nothing for transportation, the median was zero.

7. The total amount spent for Trustee services (secretaries, etc.) was $795,000. The mean amount per board was $11,900; the median was $2,000.

8. The total amount spent for Trustee elections (from January 1, 1980 through '85-'86) was $15,804,000. The mean amount per board was $239,000 for the six years or about $23,500 annually. However these numbers can be deceptive because of the tremendous variation in election costs. (See Table 8, page 11.)

9. The total amount spent on collective bargaining (district employee contract negotiations) from January 1, 1980 through the 1985-86 academic year was $11,335,000 for the six years or about $1,889,000 annually. These figures also may be deceptive because of the great variability. (See Table 9, page 12.)

10. The total amount spent on incidental trustee expenses was $256,000. The mean amount per board was $3,800.

One major question our study tried to answer was that of what fraction trustee expenses were of the state and local district funds. The sum of the answers to questions 3-10 had to be compared with the sum of the answers to question 2. However, questions 8 (election of trustee costs) and 9 (collective bargaining costs) included data from 1980 to the end of 1986. Consequently, we translated those expenses into annual approximations: Trustee elections $2,634,000; collective bargaining $1,619,000.

Table 10. ANNUAL TOTAL AND PROPORTIONS OF TRUSTEE EXPENSES

	%	$
Board of Trustee Elections	34.0	2,634,000
Collective Bargaining	20.9	1,619,000
Insurance	14.2	1,101,000
Employees (Support Services)	10.3	795,000
Salaries, Stipends, and Fees	9.2	712,000
Conference Expenses	6.8	526,000
Incidentals A	2.1	164,000
Transportation	01.4	105,000
Incidentals B	01.2	92,000
	100.1	7,748,000

The total annual trustee expenses, including items 3-10 (8 and 9 as annual estimates) were $7,748,000. As percentages of that total, individual expense categories are listed in descending order.

Viewed as percentages of the total expenditures, two expenses stand out; board elections and contract negotiations make up over fifty per cent of the total. Insurance costs ran a strong third. When support services and salary percentages are added, the first five expenses absorb 89% of the total amount.

Expressed as a percentage of the total annual district budgets (1985-86) $1,775,035,000, total trustee expenses shrink dramatically to .44%, or less than one half of one percent.

Discussion and Recommendations

Collective bargaining and trustee elections cost the state more than $27,000,000 between 1980 and 1986. Trustee salaries and insurance cost about $2,000,000 each year. Though these numbers may seem high, remember they are aggregates from the entire state and that more than 1.5 million peoople were taking classes at the California Community Colleges last year.

The data from our study should elicit some questions related to trustee expenses. For example:

1. Can district autonomies be maintained without local board elections? Considering election costs to the state and the local districts, is there a feasible, acceptable alternate method for selecting district board members?

2. Are separate, independent district salary schedules essential to district autonomy? Considering the aggregate costs of individual district contract negotiations, would the establishment of a state-wide salary schedule be an appropriate economy for over a hundred unique campuses, urban and rural, modest to massive?

3. What has been omitted? For example, the study did not determine trustees' current pension costs, nor did it estimate future costs of trustees' retirement expenses, either to the district or to the state retirement system.

Our bias has not changed as a result of the data presented above. We still advocate as much local control as the state can afford. However, even readers who share our bias might agree that some compromises with local control merit serious consideration.

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